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CHILE: DEFENSE AND INTERNATIONAL RELATIONS

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CHILE: DEFENSE AND INTERNATIONAL RELATIONS

HISTORICAL BACKGROUND

Chile is a nation of extremes and opposites. Its geography includes the world's most arid desert in the north to Antarctica in the south. The Andes and the highest mountain in the Western Hemisphere (Mount Aconcagua 22,840 feet) mark one of the longest national borders in the world, while the immense coastline provides Chile with a commanding presence in the Pacific Ocean¹. Often described as an island, Chile's geographic extremes have been fundamental to the nation's history.

The Spanish conquered Chile in 1536 and established the Santiago in 1540. Chile remained an insular backwater colony until the 18th century when growing resentment over Spanish-imposed trade restrictions led Chile to press for self-government. The first independent government was established on September 18, 1810 but fell once again to Spanish control in 1814. Final victory from Spain was achieved in 1818 after which followed ten years of virtual anarchy. Diego Portales, who served as the nation's first effective ruler until his assassination in 1837, brokered a constitutional compromise between the various fractions of the oligarchy in 1829. Mr. Portales created a strong central government and his constitution of 1833 remained in force until 1925. The framework of this constitution created the stability that allowed Chile to escape the political turmoil that beset most of Latin American throughout the 19th century².

Chile established a parliamentary democracy in the late 19th century that was predisposed to the interest of the ruling oligarchy. The growing middle and working classes finally became

¹ Andrew J. Rhodes, "Chilean Civil-Military Relations" <http://www.geocities.com/ajhrhodes/>, *Introduction*, 1

² The Economist Intelligence Unit, "Chile: Country Profile 2001" www.eiu.com, 4

powerful enough by the 1920s to elect more reformist candidates. However, a conservative congress continually frustrated these efforts³. Economic development exacerbated the gap between the rich and poor, while the political left and right slowly polarized. These irreconcilable differences soon brought the state to a systemic breakdown⁴.

BACKGROUND ON CIVIL-MILITARY RELATIONSHIP

The military has been a predominant and powerful force in Chile. Playing a vital role in the formative years of the nation, the military became less important as Chilean democracy evolved. However, in the 1970s and 1980s the military took on a central role than ever with the military regime of General Augusto Pinochet.

The complex crisis of 1970 saw political extremes take leftist anti-military and rightist pro-military positions. Salvador Allende, a Marxist and member of the Socialist Party, won a narrow victory in 1970 (36% of the popular vote with a plurality of less than 36,000 votes). He never enjoyed broad popular support or a congressional majority. Under his guidance, domestic production fell, severe shortages of consumer goods and food were widespread, and inflation reached 1,000%⁵. On September 11, 1973, a military coup, with popular support and the blessing of the Chamber of Deputies, installed General Pinochet as president. Allende took his own life – or according to some reports, was shot⁶. What followed were dark days of repressive

³ U.S. Department of State, “Background Note: Chile”, *Bureau of Western Hemisphere Affairs*, April 2001, www.state.gov/r/pa/bgn/1981.htm, 3

⁴ Rhodes, 1

⁵ U.S. Department of State, “Background Note: Chile”, *Bureau of Western Hemisphere Affairs*, April 2001, www.state.gov/r/pa/bgn/1981.htm, 3

⁶ The Economist Intelligence Unit, “Chile: Country Profile 2001” www.eiu.com, 5

rule and virulent human rights violations. The military regime subjected the country to a financial roller coaster ride searching for the solution to Chile's stagnant economy.

For 17 years, the military under Pinochet ruled Chile and shaped its future, leaving a lasting mark on the Chilean political system. Pinochet was peacefully ousted from office by a plebiscite in 1988, losing 54.7% to 43.4%. Ironically, he had the distinction of losing an election where he was the only official candidate!

Although no longer in government, the Chilean military remained on center stage. The 1980 constitution guaranteed the military enhanced powers after relinquishing the presidency during the transition from authoritarian to democratic rule. The constitutional charter established high requirements for reform and specific military privileges in the National Security Council. Additionally, the constitution significantly restricted presidential power over the military⁷.

Civil-military relationships remained tense until 1998. The General's arrest in England and subsequent indictment in Chile ended the Pinochet era. Although many issues remain unresolved, the new political atmosphere is one of facing the past in order to move beyond it. For example, Pinochet's arrest elicited no violent reaction from the military and more importantly, the period was marked with unprecedented cooperation between the civilian government and the military on highly sensitive matters.

BACKGROUND ON INTERNATIONAL RELATIONS

Friction between its neighbors Argentina, Peru, and Bolivia has defined Chile's regional relations. Conflicts with Peru and Bolivia over nitrate deposits in their territory led to the War of the Pacific in 1879. Chile's victory enlarged the country by one-third and gained rich mineral

⁷ Felipe Aguero, "Institutions, Transitions, and Bargaining: Civilians and the Military in Shaping Post-authoritarian Regime", *Civil Military Relations in Latin America* (The University of North Carolina Press, 2001) 217

deposits. This initiated an era of unprecedented prosperity marked by growing mining and manufacturing industries, exports and foreign loans, and a burgeoning middle class.

Unfortunately, it also engendered a deep seated hatred in Peru and Bolivia that, to this day, permeates affairs between the three countries.

Relations with Argentina, although vastly improved, have never been easy. In both 1978 and 1982, Chile was close to war with Argentina following international arbitration that recognized Chile's sovereignty over the islands in the Beagle Channel. Argentina refused to recognize the decision and prepared for war. A last-minute diplomatic mediation by the Vatican averted the conflict and an agreement was reached in October 1984. In June 1999, Chile and Argentina ratified a Treaty of Peace and Friendship, settling 23 of 24 territorial disputes and finding a mutually acceptable dividing line for the disputed border on the Campo de Hielos⁸.

Today, Chile's overall foreign policies coincide with its economic development objectives. To accomplish the goals of economic development, the government of Chile is pursuing the internationalization of the Chilean economy. These objectives lead it to seek economic and political ties in Latin America, North America, Europe and the Asian-Pacific Rim. Chilean policy adheres to the principle of open regionalism that considers trade agreements as mechanisms for the expansion of commerce and investment, all within the context of increasingly liberalized world trade⁹.

DEFENSE

1. A wide array of political and economic prerogatives included in the 1980 constitution provides the Chilean military with considerable autonomy. Despite some attempts at

⁸ The Economist Intelligence Unit, "Chile: Country Profile 2001" www.eiu.com, 13

⁹ Embassy of Chile-USA web page, www.chile-usa.org/documents/political/rree.htm

constitutional reform to subordinate the military to a civilian-led defense ministry, many military perquisites remain. The military has considerable influence in the Executive Branch, most notably the substantial military presence (the four Service Chiefs) in the National Security Council and the immunity of service chiefs and the director of the National Police from dismissal by the President¹⁰. Additionally, the constitution of 1980 installed a military tutelage, creating nine limited term, non-elective senate seats for former government officials – four of which are retired officers - and extending lifetime seats (the so called ‘senators for life’) to past presidents. This set-up ensures a bastion of military influence in the legislative branch. Furthermore, the constitution includes clauses such as “The armed forces ... are essential for national security and guarantee the institutional order of the Republic,” implying that the military has a permanent right to intervene any time ‘order’ is threatened¹¹.

Finally, the Chilean police are comprised of a national, uniformed force (Carabineros) of approximately 30,000 members, and a smaller plainclothes investigation force. The police are part of the Interior Ministry but remain under the nominal control of the Defense Department.

QUESTIONS: Is the military willing to accept further subordination to civilian leadership? Has the diminished stature of General Pinochet increased the likelihood of such reform? Is the military’s constitutional ‘right of intervention’ a threat to democracy in Chile? Would Chile be better served with a police force independent of the military? Is there a conflict of interest with military control of the police force and does this arrangement threaten Chilean democracy? Who has judicial powers over the military?

2. Following the September 1973 coup, a military team carried out the executions of 75 political prisoners. Later dubbed “The Caravan of Death”, it was inimical of Pinochet’s attempts to

¹⁰ Wendy Hunter, “Contradictions of civilian control: Argentina, Brazil, and Chile”, *Third World Quarterly*, December 94 Vol 15 Issue 4, 648

¹¹ Alejandro Ruess, “Invisible Hand and Iron Fist,” *Dollars and Sense Magazine*, Nov/Dec 1999
http://www.thirdworldtraveler.com/Latin_America/PinochetandChile.html

‘harmonize judicial standards.’ What followed were 12 years of terror that paralyzed the actions of millions of Chileans during which an estimated 3,000 persons were killed or disappeared¹².

Following his arrest in England in 1998, Pinochet returned to Chile to face charges on numerous human rights charges. He was subsequently found unfit for trial and released from house arrest.

However, many family members of ‘los desaparecidos’ continue to press their lawsuits.

QUESTIONS: Before stepping down from the Presidency, Pinochet granted himself and all members of the Chilean military amnesty from prosecution. Has the Chilean Supreme Court answered the legal questions on how to apply the Amnesty Law?

Unlike the military in Argentina that suffered a humiliating defeat in the Falklands leading to the fall of that country’s military rule, Chile’s army is still intact and proud. Many still believe the Chilean Armed forces have paid no price for their transgressions. Can Chile really get over its past without a full accounting of the atrocities of 1973-1978? Will the guilty be prosecuted? Is this purely a problem for Chile to solve or is intervention by outside organizations warranted? Do these unresolved issues pose an obstacle to Chile’s global integration?

3. The Pinochet constitution of 1980 also grants the military two important economic privileges: the right to secure allocations equivalent to at least those of 1989 military expenditures in real terms, and the right to extract 10% of all profits from copper exports of the state monopoly, Corporacion Nacional del Cobre (CODELCO)¹³. The military has spent this money exclusively on the acquisition of new weaponry. In August 1997, the Clinton Administration lifted a twenty-two year old moratorium on sales of high-technology weapons to Latin America. In 2002, Chile reached an agreement with Lockheed Martin to purchase 10 high performance F-16 fighters. Chile’s armed forces include 102,000 personnel for a country of roughly 15 million, with a budget not including CODELCO earnings of \$2.12 billion or 2.79% of GDP (1998)¹⁴. In

¹² Patricia Verdugo, “Chile, Pinochet, and the Caravan of Death,” (North-South Center Press, 1989) iii

¹³ Hunter, 16

¹⁴ Just the Facts: U.S. Security Assistance to Latin America and the Caribbean, Chile
<http://www.ciponline.org/facts/fmscl.htm>

proportion to its population, Chile has the largest standing military in South America, exceeding Bolivia, Peru, and Colombia, countries in which the military is actively engaged in combating drug cartels and terrorist groups¹⁵.

QUESTIONS: Since the military does not have to compete with other government spending, do the automatic funding arrangements entail any problems for democratic defense policy? Should the Chilean civilian government have more control over military budgets, expenditures, and modernization decisions? Does the CODELCO arrangement give undue influence to the military on national economic policy?

Is Chile's military out of proportion for the regional threat? Is the regional threat commensurate with the cost of maintaining such a large force? Is Chile considering a smaller, lighter, more efficient military? Would a smaller military budget allow the government more flexibility for expenditures on other non-military programs?

Is Chile's modernization program, specifically the purchase of advanced F-16 fighters, a threat to its neighbors? Is Chile's military buildup launching an arms race, forcing other governments to buy comparable weapons at a time when a widening recession has a grip on the region? Is the purchase of these aircraft a conciliatory gesture by President Lagos who needs support from a very powerful and autonomous military?

4. Chile is very active in military-to-military contact with United States forces. In 2000, Chile participated in Fuerzas Aliadas (combined regional humanitarian exercise), UNITAS (combined hemispheric naval exercise), Fuerzas Unidas Peacekeeping South (combined regional peacekeeping exercise hosted by Chile), and Fuerzas Aliadas Cabanas (combined crisis response exercise). In addition, Chile sends personnel to the following U.S. military institutions: the Western Hemisphere Institute for Security Cooperation, Inter-American Air Force Academy, Center for Hemispheric Defense Studies, Inter-American Defense College, and National Defense University¹⁶.

QUESTIONS: Can Chile increase its participation in worldwide peacekeeping operations? Would Chile be willing to send naval assets to the Arabian Gulf to assist in enforcement of UN sanctions against Iraq?

¹⁵ Hunter, 16

¹⁶ Just the Facts: U.S. Security Assistance to Latin America and the Caribbean, Chile

Is the Chilean military ready to participate in combat operations as a member of a future U.S.-led coalition to combat terrorism? Are the U.S. military and Chilean military fully interoperable?

What role does Chile play in maintaining regional stability in the Southern cone?

Does the Chilean military perform any non-traditional missions such as environmental protection, humanitarian relief, counter narcotics, or border security? Does Chile perceive a threat from narcotics trafficking, money laundering, and narco-terrorism?

INTERNATIONAL RELATIONS

1. Chile's primary foreign policy objective is the internationalization of its economy through the creation of a network of agreements and alliances that ensures the adequate presence of its products and services in the global market and continued foreign direct investment. Chile views these elements as essential contributors to its economic growth and development¹⁷. Chile pioneered trade liberalization in Latin America in the mid-1970's (one positive legacy of Pinochet) eliminating non-tariff barriers and simplifying its tariff structure¹⁸. It should therefore be no surprise that Chile is actively engaged in negotiations with both the United States and EU on free trade agreements (FTA). Chile-U.S. bilateral relations have never been stronger. In January 2002, Chile and the United States completed the ninth round of talks and will meet again in late April or early May for the final round of talks. Chile also hopes to finalize an agreement with the EU this year.

QUESTIONS: What are the major obstacles to these agreements? Does Chile envision an expanded FTA that encompasses all of the Western Hemisphere to compete directly with the EU? How would Chile rate its success as a global economic player?

2. Regional trade regimes are central to Chilean foreign policy. Chile firmly believes that the foundation of a Free Trade Area of the Americas will create new levels of political cooperation

¹⁷ Embassy of Chile-USA web page

¹⁸ The Economist Intelligence Unit, "Chile: Country Profile 2001" 26

and cultural integration. Chile stressed this idea at the 1994 Summit of the Americas in Miami and emphasized it anew when it hosted the 1998 summit¹⁹. Furthermore, Chile has special interests in its relationship with MERCOSUR, the Southern Cone Common Market, which includes its two largest Latin American trading partners Argentina and Brazil.

Growing economic ties are improving links and reducing mistrust with Chile's historical adversaries Argentina, Peru, and Bolivia. After suspending diplomatic relations in 1978, Bolivia and Chile signed an economic cooperation agreement in 1993. This agreement includes further bilateral trade liberalization, the construction of a \$1.5 billion gas pipeline and liquefying plant to export Bolivian gas through Chile, and the completion of a bi-oceanic highway to transport Brazilian grain to Asia via Bolivia and Chile²⁰.

Chile and Peru have finally settled their territorial disputes ratifying the 1929 peace treaty in 1999. Following that event, President Fujimori of Peru visited Chile, the first ever visit by a Peruvian president. In February 2000, Chile ceded to Peru a dock and warehouse at the Chilean port of Arica and gave the Peruvians full control of a railway station at the port.

QUESTIONS: What obstacles remain between Chile and its regional neighbors? Can Chile, Bolivia, and Peru achieve a lasting peace? Which regional rival poses the most direct threat to Chilean sovereignty? Which regional and hemispheric nation(s) does Chile see as its strongest strategic ally?

How has Argentina's financial crisis affected Chile? What support has Chile offered Argentina?

Has Chile emerged as the dominant regional economic and political power? If not, whom does Chile see as dominant? What regional mediation role does Chile envision?

Are trade agreements and economic ties sufficient to overcome past animosities?

¹⁹ Embassy of Chile-USA web page

²⁰ The Economist Intelligence Unit, "Chile: Country Profile 2001" 12

3. Chile seeks greater presence in the Asia-Pacific area. The Pacific Basin is one of Chile's principal international trade opportunities – 30% of Chile's trade is with Asia. Chile, a member of APEC, has worked extensively to create deeper political and economic ties with its Pacific trading partners – Japan is currently the largest importer of Chilean copper ore. In 2001, Chinese Premier Jian Zemin visited Santiago and President Lagos made a reciprocal visit representing Chile at the APEC summit held in Shanghai in November 2001. President Lagos highlighted Chile's desire to advance free trade and investment from China. Moreover, trade talks are pending between with South Korea and Japan²¹.

QUESTIONS: What effects did the 1990s downturn in Asian markets have on the Chilean economy? How much foreign direct investment does Chile garner from APEC member countries? What are the main obstacles to free trade with the Pacific Basin countries? Has Chile reached any security agreements with APEC nations (New Zealand, China, etc)? Does Chile negotiate from a position of relative strength or weakness?

4. Chile's foreign policy embraces respect for international law, the inviolability of treaties, the juridical and peaceful resolutions of controversies, non-interference in the internal affairs of other states, and the search for peace and international security. Chile looks for international organizations to play a vital role in the 21st century. Chile feels these international regimes are vital to resolving such issues as security, human rights, environmental protection, and international cooperation. Moreover, Chile believes that the United Nations Council should adhere to the following principles: preventive diplomacy in order to reduce the potential use of force; regional solutions for regional conflicts; greater transparency and equanimity in Security Council decision; special concern for the victims of conflicts; consensus solutions; and the

²¹ Government of Chile web page, Ministry of Foreign Affairs *Press release 4 January, 2002*, www.minrel.cl/prensa/Comunicados2002/04-01-02.htm (in Spanish)

promotion of confidence-building measures²². Following this logic, Chile wants the Organization of American States to become involved in solving Western Hemisphere concerns and conflicts. Chile's foreign minister, speaking at the OAS in February 2001, called for action to substantially enhance democracy for the Hemisphere's citizens. According to the minister, efforts to consolidate democracy will only succeed where there is respect for human rights, "Not only are assaults on the rights of individuals ethically wrong, but also incompatible with the full exercise of democracy."²³ (Author's note: This statement, in and of itself given the history of Chile, is quite a progressive step.)

QUESTIONS: Is Chile willing to take a more active leadership role in the OAS? Does Chile believe the OAS has sufficient enforcement power to solve hemispheric problems or does the charter need amendment?

Is Chile prepared to assist in regional mediation as it did with Operation Safe Border between Ecuador and Peru in 1995?

Is Chile willing to accept involvement of the UN Council for Human Rights in the ongoing investigation into atrocities of the Pinochet regime?

Should the Western Hemisphere have a formal collective security agreement such as NATO?

Should Plan Colombia be a regional plan with participation from all hemispheric nations including the United States and Canada? Would Chile be willing to provide military assistance to Colombia?

²² Embassy of Chile-USA web page

²³ Organization of American States press release of February 28, 2001, *Chile's Foreign Minister wants Democratic Institutions Bolstered*, www.oas.org/OASpage/press2002/en/press2001/February01/022802.htm